

ECONOMIC AND STATISTICAL ANALYSIS

Economic and Statistical Analysis (ESA) provides a wide range of economic statistics and analyses that describe the U.S. economy. This budget provides for the **Bureau of Economic Analysis (BEA)**, a principal Federal statistical agency, and the **Economics and Statistics Administration's Headquarters**, which supports economic policy decisions with information on economic events and the workings of the economy. ESA Headquarters also includes **STAT-USA** (funded through the ESA Revolving Fund), a one-stop shop for the delivery of economic, business, and trade-related data to customers around the country.

BEA is the Nation's economic accountant, integrating and interpreting large volumes of diverse data to draw a comprehensive, up-to-date picture of U.S. economic activity. Through its national, regional, and international accounts, BEA produces such widely-used statistical measures as gross domestic product (GDP), corporate profits, personal outlays and saving, state personal income, and the balance of payments. BEA's economic statistics are a vital part of the Federal statistical system, and they provide government, businesses, households and individuals with critical information on the workings of the economy, including economic growth, regional economic development, and the Nation's position in the world economy.

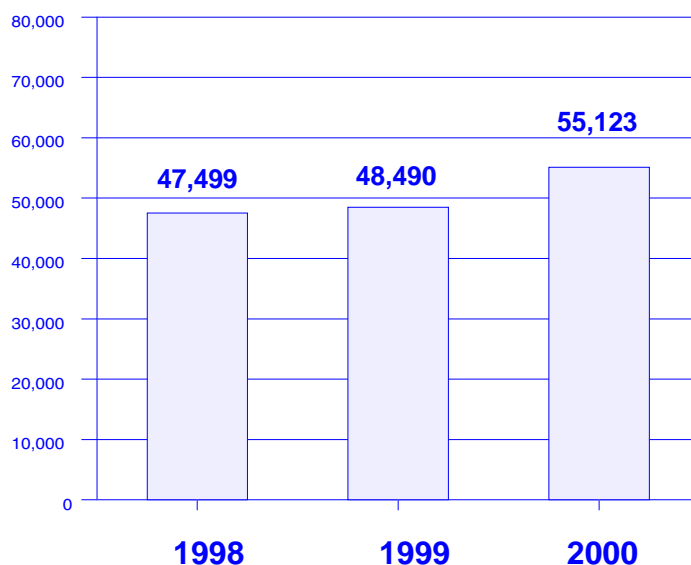
PERFORMANCE

Data Quality

Working with data users, BEA developed a comprehensive strategic plan to maintain and improve the quality of GDP and other economic accounts data. This plan has specific milestones to develop new and improved measures of output and prices; better measures of investment, saving, and wealth; and improved measures of international transactions. As outlined in ESA's 2000 Congressional budget submission, the funding requested in FY 2000 would permit BEA to undertake critically needed projects to update and revamp the accounts. These include projects to resolve the persistent "statistical discrepancy" between economic growth as measured by the output accounts and by the income accounts to treat expenditures on computer software as capital investment, to develop more accurate estimates of the growth in output and productivity for financial services and insurance, and to expand the coverage of international trade in volatile and rapidly growing services.

ESA Funding

(Dollars in Thousands)



Customer Service

Data users rely on BEA to produce and disseminate accurate, timely, and relevant economic statistics, and many of them want increased electronic accessibility to BEA data. In response, BEA has streamlined its website to allow users with any browser to access and download data more quickly and efficiently. It has expanded the information available on its website to include complete issues of *Survey of Current Business* (its monthly journal), the methodologies used to prepare the economic accounts, and BEA's new *Catalog of Products*. BEA also produces CD-ROMs that provide regional economic information and data, comprehensive estimates of the Nation's capital stock, and the contents of the *Survey of Current Business*.

Computer Re-Engineering

Although BEA has expanded and modernized its information technology, including the retirement of its aging mainframe computer and the migration of all applications to its local area network, there is still much re-engineering to be done. When this work is completed, BEA analysts will have the analytical tools that take advantage of real time data manipulation to improve the accuracy, timeliness, comprehensiveness, and accessibility of BEA data.

Measures and Targets Summary

<u>Goal</u>	<u>Measure</u>	<u>Target</u>
Provide quality data	Accuracy Score (as determined by evaluation system on a scale of 100)	>85
Provide timely and relevant data	Mean Customer Satisfaction Rating (on a scale of 1 to 5)	>4
	% of Scheduled Releases Issued on Time	100

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

Funding Levels

<u>Appropriation</u>	<u>1998</u>	<u>1999</u>	<u>2000</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
Salaries and Expenses	\$47,499	\$48,490	\$55,123	\$6,633

PERMANENT POSITIONS

Salaries and Expenses	509	509	553	44
Reimbursable	34	34	34	0
Revolving Fund	16	35	35	0
Total	559	578	622	44

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1999 Enacted			509	\$48,490
Adjustments to Base				
<u>Adjustments</u>				
Continuation of FY 1999 operating level				679
<u>Other Changes</u>				
1999 Pay raise		\$290		
2000 Pay raise		1,112		
Within-grade step increases		346		
Civil Service Retirement System(CSRS)		(29)		
Federal Employees' Retirement System(FERS)		36		
Thrift Savings Plan		7		
Federal Insurance Contributions Act (FICA) -OASDI		17		
Health insurance		55		
Employees' Compensation Fund		77		
Rent payments to GSA		122		
Postage		3		
FTS		2		
Printing and reproduction		5		
Other services:				
Working Capital Fund		616		
Commerce Administrative Management System (CAMS)		(324)		
NARA Storage and Maintenance		3		
General Pricing Level Adjustment				
Rental payments to others		1		
Communications, utilities and miscellaneous charges		5		
Other services		49		
Supplies and materials		5		
Equipment		8		
Subtotal, other cost changes			0	2,406
Less Amount Absorbed			0	(917)
TOTAL, ADJUSTMENTS TO BASE			0	2,168
2000 Base			509	50,658
Program Changes			44	4,465
2000 APPROPRIATION			553	55,123

Comparison by Activity

	1999 Currently Avail		2000 Base		2000 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
DIRECT OBLIGATIONS								
Bureau of Economic Analysis	451	\$44,176	451	\$44,967	495	\$49,432	44	\$4,465
Policy Support	58	5,829	58	5,691	58	5,691	0	0
TOTAL DIRECT OBLIGATIONS	509	50,005	509	50,658	553	55,123	44	4,465
REIMBURSABLE OBLIGATIONS	34	2,190	34	2,445	34	2,445	0	0
TOTAL OBLIGATIONS	543	52,195	543	53,103	587	57,568	44	4,465
FINANCING								
Unobligated balance, start of year		(1,515)						
Offsetting collections from:								
Federal funds	(28)	(1,840)			(28)	(1,770)		
Non-Federal sources	(6)	(350)			(6)	(675)		
Subtotal, financing	0	(3,705)			0	(2,445)		
TOTAL BUDGET AUTHORITY	509	48,490			553	55,123		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	Permanent Positions	Amount	Permanent Positions	Amount
<u>Bureau of Economic Analysis and Policy Support</u>	509	\$50,658	+44	+\$4,465

Enhancing the Nation's Statistical Infrastructure: The discrepancy between our product-side (GDP) and income-side (Gross Domestic Income) measures makes it difficult to assess the Nation's level of productivity and whether the economic expansion can be sustained without renewing inflationary pressures. The Secretary's Initiative to enhance the Nation's Statistical Infrastructure is a small but critical part of the FY 2000 Commerce budget. An increase of \$4.5 million is requested for FY 2000 to support improvements in the Bureau of Economic Analysis' economic accounts. This initiative will allow BEA to resolve a wide range of significant concerns about our key economic data (44 pos.; +\$3,127) and continue to modernize BEA's computers system (+0 pos.; +\$1,338).

Maintaining and Improving BEA's Economic Accounts: BEA will continue to work to increase the accuracy of the GDP and other economic accounts. Key projects include resolving the persistent "statistical discrepancy" between economic growth as measured by the output accounts and by the income accounts, treating expenditures on computer software as capital investment, developing more accurate estimates of the growth in output and productivity for financial services and insurance, and expanding the coverage of international trade in volatile and rapidly growing services.

Enhanced BEA's Information Technology Architecture: BEA has made great strides in expanding and modernizing its information technology system by retiring its aging mainframe computer and migrating all applications to its upgraded local area network; however, there is still much re-engineering that remains to be done. It is necessary for BEA to develop analytical tools that take full advantage of the new system's capabilities. With these new tools, BEA could significantly increase the accuracy, timeliness, comprehensiveness, and accessibility of its data.